Sc-15649

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### NSC BRIEFING

28 October 1954

### SITUATION IN SOUTH VIETNAM

- I. General Hinh appears willing to accept uneasy, superficial, probably shortlived truce with government.
  - A. Expressed basic feeling in telling

    General O'Daniel if US aid cut off one
    day he would sieze Diem next day and
    set up military government.
  - B. But finally agreed to exhort army to support "present government" - without reference to Diem.
  - C. Said he would like Diem accompany him on inspection tour.
  - D. Willing to request leave "after political situation clarified."
  - E. These concessions accompanied by long diatribe against Diem and self-right-eous portrayal of own role.

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- F. Hinh's record with previous government as well as present offers no hope any real modus vivendi in sight.
- G. Bay Vien, Binh Xuyen chief, has yet to make even superficial peace offer.
- II. French still hold key to situation -
  - A. They control city of Saigon. User
  - B. They can keep Hinh under wraps through control of troop pay and supply.
  - C. Question is, will they?
- III. French greatly upset by news of US "crash
   program."
  - A. La Chambre, in Paris, says charge

    French have not given all-out support

    Diem is slur on French honor.
  - B. But only last week French deputy

    commissioner general indicated agree
    ment support Diem only made in defer-

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- C. Made it obvious he shared view best French bet was try hold Cochinchina as disguised protectorate.
- D. La Chambre sees US proposal to give direct aid to Vietnam before crisis solved as violation of Washington agreement.
- E. Said unilateral US action risked breaking Franco-American teamwork but "we prefer to lose in Vietnam with US rather than to win without them."
- F. La Chambre said Diem and Hinh reconciliation must be sought but premier should not be authorized to fire Hinh.
- G. Stressed urgent need of "efficient" government and cited as likely participants:
  - 1.) Buu Hoi, whose "leftist tendencies" worried him.

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- 2.) Tam, whose pro-French reputation he conceded.
- 3.) Bay Vien, who "apparently show-ing signs of wanting to reform."
- H. Earlier, Mendes-France brought up
  idea of sending "viceroy" to Vietnam
  who "would have no power to interefere in government."
  - Only likely candidates are Buu
     Hoi and Buu Loc, both active in intrigues against Diem.
- IV. At least French and US agree that present situation made to order for Viet Minh.
  - A. La Chambre said all but major population centers slipping into Viet Minh hands.
  - B. Our army attache' estimates that under present trend by late 1955 Viet Minh will dominate coalition government or have completely taken over all but

Cities.
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C. Fighting this week near Cambodian border between Cao Dai and Hoa Hao (several hundred involved) evidence of growing anarchy.

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